



STATE OF UTAH
NATURAL RESOURCES & ENERGY
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Cleon B. Feight, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

October 25, 1982

ACT/037/003

Mr. Richard Blubaugh
Atlas Minerals
Moab Mill Office
North Highway 163
Moab, Utah 84532-1207

RE: Atlas Minerals Permitting

Dear Mr. Blubaugh:

I would like to clarify some issues brought up in your letter of October 13, 1982. Primarily, it is the Division's understanding that you and/or your attorney will appear in the Executive Session of the October 28, 1982 Board Hearing to present a surety proposal for the 21 currently filed Atlas' mines. This may institute the issuance of a possible conditional tentative approval. The conditions would be forthcoming during the period of the 30-day public comment.

The conditions involved would include; a final updated review and approval of the remaining mines not currently covered under a reclamation contract, adequate review and approval of the new reclamation/revegetation report by the Division, and final development and review of an accurate series of bond estimate forms. It is understood that a "rough estimate" (+ 30 percent) must be available for the Board to render a tentative conditional approval should that be requested this October.

Concerning the bond estimates needed for completion of these arrangements and final approval, a copy of the current form has been enclosed.

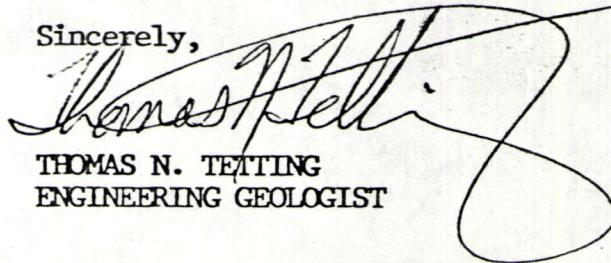
1. This completed form will be needed for each operation not now covered by a currently approved contract. These mines include: the Calliham/Sage; Farwest; Four Corners; Snow; Standard I; Wood Lease; Cactus Rat; Cane Creek; and, Happy Jack (a total of nine).

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2. In addition, an updated revised estimate needs to be provided for each mine which has had an acreage amendment included since it was originally incorporated under the existing approved contract. This list includes; Cane Creek, Dunn, Pandora, Patti Ann, Probe, Rim-Columbus, and Velvet mines (a total of seven). This estimate should not only include the amended acreages, but the entire minesite area.
3. The level of detail to be provided on the form should include information in the separate rows provided, A-I, and itemized in the pertinent columns. This is the essential information required to develop a total cost figure for that row. If the item in the row is not applicable, please state so on the form. Perhaps a brief explanation, e.g., "nonexistent" or "not-utilized," could accompany blank rows. A sum total should be developed for each mine and a final composite figure reasonably comparable to the initial 30 percent estimate must be submitted. If this itemized final total is substantially different from the estimate, it may become necessary to advise the Board at that future date. Please notice that the detailed A-I Row estimate sheet needs to be submitted with the bond estimate form.
4. The timeframe proposed for this level of bond estimate detail is not meant to be prohibitive or burdensome. It should correspond with the completion of the Division's review of items already listed in this letter. Ninety to 120 days may be reasonable.
5. After completion of these conditions, it would be reasonable to assume that final approval would be issued barring any adverse public comment.

I believe these statements to be in concert with our phone conversation of October 19, 1982. If there are any items you wish to discuss further, please let us do so prior to the 8:30 a.m., Executive Session on Thursday, October 28.

Sincerely,



THOMAS N. TETTING
ENGINEERING GEOLOGIST

TNT/btb

Enclosures

cc: James Holtcamp, VanCott, Bagley, Cornwall and McCarthy
Ron Daniels, DOGM
Jim Smith, DOGM